


A-IV Impacts on Availability, Accessibility & Affordability

- A. Business Purpose and Foundation
- B. Competition
- C. Availability and Accessibility of Services
- D. Medical Management Policies and Practices
- E. Operations
-  F. **Products**
- G. Pricing
- H. Governance
- I. Regulation

Recent Analyst Commentary on WellPoint

- WellPoint has demonstrated that membership growth can be obtained by offering products that are differentiated in the marketplace, a relative rarity among managed care competitors...We believe the company is one of a handful of thought leaders in the sector and is capable of solid earnings growth through both the positive and negative phases of the underwriting cycle, and the recessionary and expansionary phase of the macro economy's growth cycle.
Eric Veiel, Deutsche Banc Alex. Brown, October 2001
- They have a very seasoned, very disciplined executive team. In terms of innovation, they are certainly up in the front ranks. They don't sit back. They were one of the first out there to provide Internet capabilities to consumers.
Peter Kongstvedt, MD, Cap Gemini Ernst & Young, September 2001
- They are very forward looking. Leonard Schaeffer is the single most respected executive in the industry...Their product line is the most extraordinary in the business.
Joe France, Credit Suisse First Boston, September 2001
- WellPoint has developed a full-scale offering of products, ranging from tightly managed HMO plans to traditional indemnity offerings. The company has invested in infrastructure, technology systems, and administrative support to develop product lines aimed at generating future membership growth in all of those products.
James Lane, Salomon Smith Barney, August 2001
- The story from WellPoint certainly showed meaningful stability in pricing, costs, and trends, with a continued upward bias to results...WellPoint, with superior cost trend data, has been able to better forecast medical trends. And more important, the company has been able to identify those providers that give the best care and produce the most effective results. WellPoint is in a better position to determine which facility is 'best,' for example, at liver transplants. Theoretically, the company can then channel more volume to those specific providers.
Lawrence Marsh, Lehman Brothers, June 2001

Source: Deutsche Banc Alex. Brown, *WellPoint Health Networks, Inc.: Rock Solid, Market Wise*, October 2001; AMNews, *WellPoint is Savvy But...Doctors Are Wary*, September 3, 2001; Salomon Smith Barney, *WellPoint Health Networks: 'Well Positioned' for Macroeconomic Challenges*, August 9, 2001; Lehman Brothers, *WellPoint Health Networks*, June 22, 2001

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Building off of WellPoint's product platform, BCBS of GA plans to launch several new products next year targeted at providing flexible benefit levels at a range of price points.

Overview of Expected New Products by BCBS of GA

New Product Characteristics*

- High to modest benefits
- Low to high copays
- Low or no deductible to high deductibles
- High employer contribution to minimum or no employer contribution
- 1st dollar hospital coverage to catastrophic coverage only
- High premiums to more modest premiums
- Target premiums 15-20% below current lowest price Blue Cross Blue Shield of Georgia commercial products

*Draft of characteristics, products to be finalized in 2002

Source: BCBS GA

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